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**Sent:** 8/7/2018 9:47:12 AM  
**To:** Beck, Nancy [Beck.Nancy@epa.gov]  
**Subject:** Morning Energy: Oil's well after sanctions? — Breaking down those wildfire tweets — FOIA suit seeks bailout docs

By Kelsey Tamborrino | 08/07/2018 05:45 AM EDT

*With help from Ben Lefebvre, Annie Snider and Alex Guillén*

**OIL'S WELL?** Does the world have enough oil to go around if 2.5 million barrels of Iranian petroleum is put behind a wall of U.S. sanctions? That's the questions oil traders are trying to answer after the Trump administration said it would be resuming sanctions on Iran's oil in November, and ME will be casting a keen eye on the Energy Information Administration's short-term energy outlook due out today for clues on what might be in store. Traders seemed a little skeptical in the wake of Monday's announcement from the White House: Oil prices settled 52 cents higher Monday after the White House said sanctions would come down. And by saying the sanctions would start on Nov. 5 — the day before the midterm elections — the White House may be signaling it's also unsure what sanctions would do to voters' pocket books. The short-term outlook, which EIA releases monthly, is not expected to break out the effects of the sanctions themselves, but it should give oil buyers and sellers a sense of what the market may look like when the sanctions kick in this fall. The new EIA report will be here.

**Does this look tight?** Normally, taking Iran out of the export picture wouldn't be a huge blow to the international oil market, analysts told ME. But former petroleum powerhouse Venezuela is imploding, Saudi Arabia seems to be producing nearly as much as it can, and international oil demand is on the rise, said Matt Badiali, senior analyst at Banyan Hill Research. President Donald Trump's sanctions could remove slack in the oil market just as the November elections near, meaning any other supply disruptions will push oil and gasoline prices even further. "We can certainly look at gasoline prices and say, if you're a mom and pop voter, that's instant inflation," Badiali said. "There's just no way they can get around who's to blame for rising oil prices."

**Thanks, Obama:** So far, drivers seem to be shrugging off the fact that prices at the pump are already 50 cents higher than where they were a year ago. Part of the reason is that prices had been relatively low, and the economy is chugging along, said Dan McTeague, analyst at GasBuddy.com, a website that tracks fuel prices. Another reason: Fuel efficiency standards are higher than they were the last time gas prices hit the three-dollar mark, meaning drivers have to fuel up less often than they would have otherwise. (The Trump administration last week proposed freezing those standards.) "Fuel economy has picked up over the last several years," McTeague said. "We're buying cars that are far more fuel efficient than what we were say 10 years ago. People may be grumbling [about higher prices], but the fact is they're absorbing it."

**BREAKING DOWN THOSE TWEETS:** Trump's spate of wildfire tweets sparked confusion in California, where officials are trying to set the record straight on the 17 worsening wildfires that have resulted in the deaths of nine people. After Trump's deleted-and-then-resent tweet that referenced California's "bad environmental laws" as a cause of the wildfires, he doubled-down in another tweet Monday, where he specifically targeted California Gov. Jerry Brown and said the outgoing governor "must allow the Free Flow of the vast amounts of water coming from the North and foolishly being diverted into the Pacific Ocean."

**The tweets have bewildered** Californian officials and scientists who say a lack of water hasn't been a problem — but climate change, which the president doesn't acknowledge, has. "We have plenty of water to fight these wildfires, but let's be clear: It's our changing climate that is leading to more severe and destructive fires," Daniel Berlant, the assistant deputy director of the state's fire agency, told The New York Times.

**In a purely political sense**, Trump is continuing to align himself with California Republicans, who have long complained that the state unfairly prioritizes environmental uses for water over the state's agricultural industry, POLITICO's Annie Snider, Carla Marinucci and Jeremy B. White write. "Fish over farms" is a popular formulation that has been invoked by Trump allies from California's agricultural heartland, such as Reps. Devin Nunes and Kevin McCarthy, both of whom are up for reelection in November. "Forests should be managed properly and water should be allowed for farmers to grow food to feed people," Nunes tweeted in response to Trump's Sunday tweet.

**Interior Secretary Ryan Zinke**, who oversees the Bureau of Reclamation that does most of the water diverting, on Monday cited California's wildfires in his own tweet, calling for policies that would allow loggers to remove more trees. Zinke's wife, Lola, added on in a tweet, which read in part, "Use responsible forest management or these are the consequences."

**GOOD TUESDAY MORNING!** I'm your host, Kelsey Tamborrino. Entergy's Rob Hall knew the name of the chief justice who served the shortest term on the Supreme Court. John Rutledge was appointed under a temporary commission while the Senate was in recess and served for only 5 months and 14 days before the Senate rejected his nomination. Let's try a geography question today: What's the name of the island country that's powered entirely by solar? Send your tips, energy gossip and comments to [ktamborrino@politico.com](mailto:ktamborrino@politico.com), or follow us on Twitter [@kelseytam](https://twitter.com/kelseytam), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**PRESSURE'S ON?** Like his predecessor, acting EPA Administrator Andrew Wheeler has voiced support for the landmark Chesapeake Bay cleanup plan, but when he meets today with governors and cabinet officials of the Chesapeake Bay states, the question will be whether he presses for swifter progress in stanching agricultural and urban water pollution. Trump's EPA has threatened to crack down on Pennsylvania, which is far off pace in reducing farm field pollution, using "backstop" actions if progress doesn't accelerate, and Wheeler last week defended the agency's authority to do so.

**But actually using that backstop authority** is another matter entirely. In a June letter to Pennsylvania, EPA floated the possibility of requiring the state's animal feeding operations and city stormwater systems to get pollution permits and policing air and water pollution permits more closely — moves that would be politically volatile with many of the Trump administration's industry allies. And don't forget: Even the Obama administration disappointed environmental groups when it declined to take aggressive action against Pennsylvania when it fell behind.

**If you go:** The Chesapeake Executive Council meets at 12:35 at Douglass-Isaac Myers Maritime Park in Baltimore.

**FOIA SUIT SEEKS BAILOUT DOCS:** The Sierra Club and Environmental Defense Fund are taking the Energy Department to court over the release of documents requested under the Freedom of Information Act. In their sights? Documents related to the Trump administration's reported push to bail out economically struggling coal and nuclear plants. "We are taking them to court to demand answers about what's really behind this bailout that only benefits millionaire energy executives who backed Trump's campaign," said Mary Anne Hitt, senior director of Sierra Club's "Beyond Coal" campaign, in a statement announcing the filing.

**PERFECT TIMING:** Amid the discussions on wildfires, the House Oversight Interior, Energy and Environment Subcommittee will hold a field briefing in Hamilton, Mont., today on the management and response to wildfires. Jeff Burrows, chairman of the Ravalli County Commission; Shawna Legarza, the U.S. Forest Service's national director of fire and aviation management; and Richard Stem, a management consultant and retired Forest Service employee, will testify. Subcommittee Chairman Greg Gianforte will be the only Oversight member in attendance, a committee spokeswoman told ME. Watch the livestream here.

**THE PFAS TRACK:** Colorado Springs residents will gather alongside EPA officials today to discuss the toxic nonstick chemicals known as PFAS. EPA is holding its third community engagement meeting on the chemicals with a two-day event in Colorado. The Trump administration recently released a study finding adverse human health impacts from exposure to the chemicals at far lower levels than previously deemed safe, after delaying its release. See the agenda .

**EPA WANTS TO REDO MINOR PARTS OF TSCA EVALUATION RULE:** EPA has asked a federal court to remand three limited provisions of its Toxic Substances Control Act implementation rules, saying environmentalists' lawsuits have made the agency reconsider those parts. All three provisions have to do with how data is submitted to EPA during risk evaluations, when the agency determines whether a chemical is any threat. Greens argued that one provision warns of criminal prosecution for submitting "incomplete" data, which they said would "chill" public comments. Two other sections on data to be submitted by manufacturers gave the companies too much authority to determine what data is relevant and whether it is consistent with EPA's standards, the groups argued.

**EPA said that, upon further reflection** , it has decided to revisit those parts of the rule. The agency asked that only one provision, dealing with the punishment for "incomplete" information, should be vacated. The other two provisions, the agency argued, can be fixed without being vacated, meaning they would remain in effect until EPA finalizes any update. EPA's brief says the public health groups challenging the rule will weigh in on the request to vacate the prosecution provision until after reading the brief. The groups are opposed to remanding without vacating the other two provisions. It's not unusual for EPA to ask for specific, often more technical provisions of a rule to be remanded upon legal challenge. The bulk of the lawsuits against the TSCA implementation rules will continue.

**ON TAP TODAY:** The Heartland Institute will hold its "America First Energy Conference" in New Orleans, where several prominent conservative voices will address issues including carbon taxes, cap and trade and climate lawsuits launched against Big Oil. Louisiana Attorney General Jeff Landry will deliver this morning's keynote, while Assistant Interior Secretary for Land and Minerals Management Joe Balash's remarks will close out the day. See the schedule here and watch the livestream here.

**JUDGE UPHOLDS MOST OF ROYALTY RULE:** A federal judge in Wyoming upheld most of an Obama-era Interior royalty penalty rule on Monday, siding with the oil industry challenger on just one narrow provision, Pro's Alex Guillén reports . The Office of Natural Resources Revenue rule was first issued in August 2016 as an update to a 1999 rule and strengthened royalty-related civil penalties for energy development on public lands for certain violations and boosted fines to account for inflation. The judge vacated the part of the rule that allowed administrative law judges to retroactively reinstate penalties and accrued interest that had been put on hold if the company's argument for a stay was deemed "frivolous."

**SITE STABILIZATION UNDERWAY FOR PIPELINE:** Responding to last week's FERC order stopping construction of the Mountain Valley Pipeline, the Virginia Department of Environmental Quality said it is currently working on site stabilization. The state's DEQ issued an advisory highlighting that its rules require site stabilization within seven days, and noted that FERC has similar guidelines. "DEQ will work with FERC to ensure appropriate erosion and sediment control measures are in place throughout Virginia," it said. The only work "underway in Virginia is site stabilization," DEQ Director David Paylor said in a statement.

**CLEARPATH ACTION ENDORSES 2:** Two Republicans will get backing today from ClearPath Action Fund, the political arm of Jay Faison's ClearPath Foundation. The fund will announce its endorsements of California Rep. Steve Knight for a third term in the House and Arizona Rep. Martha McSally in her Senate bid. It will also soon begin running digital ads highlighting Knight's and McSally's records on clean energy.

**MAIL CALL!** Florida's harmful and widespread algal blooms have prompted Rep. Francis Rooney to ask the president for a major disaster declaration. "Your declaration will help us overcome the economic damage which

a combination of harmful discharges from [Lake Okeechobee] and an incursion of red tide have wrought," Rooney wrote in a [letter](#). Pro's Anthony Adragna has more [here](#).

## QUICK HITS

- "Are toxic chemicals in our drinking water? Statewide testing should let us know," [The Charlotte Observer](#).
- "To kill climate rule, EPA wants to redefine danger of soot," [E&E News](#).
- "Flood thy neighbor: Who stays dry and who decides?" [ProPublica](#).
- "World at risk of heading toward irreversible 'hothouse' state," [Reuters](#).
- "Too big to fail: How one gas company can leave a mark on Pennsylvania," [Pittsburgh Post-Gazette](#).

## HAPPENING TODAY

7:30 a.m. — The Heartland Institute's "[America First Energy Conference](#)," New Orleans.

Noon — House Oversight Interior, Energy and Environment Subcommittee [field briefing](#) on "Wildfire Management and Response: Challenges and Opportunities," Hamilton, Mont.

12:35 p.m. — The Chesapeake Bay Program Executive Council holds its [2018 meeting](#) and news conference, Baltimore.

1 p.m. — The United States Energy Association [briefing](#) on "Global Thermostat's Flexible CO2 Capture Technology," 1300 Pennsylvania Avenue NW.

4 p.m. — EPA two-day [PFAS community engagement](#) event, Colorado Springs, Colo.

## THAT'S ALL FOR ME!

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<https://subscriber.politicopro.com/newsletters/morning-energy/2018/08/oils-well-after-sanctions-307870>

## Stories from POLITICO Pro

### Pompeo says sanctions a pillar of U.S. policy toward Iran [Back](#)

By The Associated Press | 08/06/2018 08:18 AM EDT

WASHINGTON — Secretary of State Mike Pompeo said renewed U.S. sanctions on Iran will be rigorously enforced and remain in place until the Iranian government radically changes course.

Speaking to reporters aboard his plane on his way home from a three-nation trip to Southeast Asia, Pompeo said Monday's re-imposition of sanctions is an important pillar in U.S. policy toward Iran. He said the Trump administration is open to looking beyond sanctions but that would "require enormous change" from Tehran.

"We're hopeful that we can find a way to move forward but it's going to require enormous change on the part of the Iranian regime," he said Sunday. "They've got to behave like a normal country. That's the ask. It's pretty simple."

Pompeo called the Iranian leadership "bad actors" and said President Donald Trump is intent on getting them to "behave like a normal country."

A first set of U.S. sanctions that had been eased by the Obama administration under the terms of the landmark 2015 Iran nuclear deal will take effect again on Monday, following Trump's May decision to withdraw from the accord. Those sanctions target Iran's automotive sector as well as gold and other metals.

A second batch of U.S. sanctions targeting Iran's oil sector and central bank will be re-imposed in early November.

Pompeo noted that the U.S. has long designated Iran as the world's foremost state sponsor of terrorism and said it cannot expect to be treated as an equal in the international community until it halts such activities.

"Perhaps that will be the path the Iranians choose to go down," he said. "But there's no evidence today of a change in their behavior."

In the meantime, he said, "we're going to enforce the sanctions."

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## **Trump fires first shot in California car wars [Back](#)**

By Alex Guillén | 08/02/2018 09:33 AM EDT

Donald Trump has declared an energy war on California.

The administration on Thursday proposed freezing the vehicle fuel efficiency standards sought by the Obama administration and moved to end California's power to enforce its own rules, setting off a legal fight that could create a schism among red and blue states over the pollution regulations for new cars and pickups.

Acting EPA Administrator Andrew Wheeler said in a statement the proposal aimed to strike a balance "that will enable more Americans to afford newer, safer vehicles that pollute less. More realistic standards can save lives while continuing to improve the environment."

But Democrats and U.S. automakers warned that forcing a conflict with California will create a split where states that follow California's lead will have tighter mileage requirements than the federal standard, creating a patchwork of regulations that will hamper the development of the next generation of cars and light trucks.

"This administration has, once again, ignored the obvious right answer and decided to listen to the most extreme voices as it pushes through a plan that no one is interested in — with the exception of the oil industry, perhaps," Sen. [Tom Carper](#) (D-Del.) said in a statement.

Rolling back the rules would make American cars less competitive in a global market that is trending toward more efficient vehicles, he said.

Democratic California Gov. Jerry Brown — who has led efforts among the states to counter Trump's rollbacks of climate change initiatives — was quick to blast the move.

"Under his reckless scheme, motorists will pay more at the pump, get worse gas mileage and breathe dirtier air. California will fight this stupidity in every conceivable way possible," he said in a statement.

The auto industry had initially urged President Donald Trump to revisit the standards for 2021-2025 vehicles that were set under former President Barack Obama, saying they wanted more flexibility in meeting the aggressive goals, such as earning credit for previous pollution emission reductions.

But as with Trump's tariff and trade disputes, the companies worry that the White House is going too far and may hurt the auto industry more than help it. They have urged Trump officials to negotiate a deal with California that would keep in place one set of rules that apply to the entire country — or jeopardize one of the U.S.' biggest industries.

"We are not asking the administration for a rollback," Ford Chairman Bill Ford said at his company's annual meeting in May, one day before automakers met with Trump. "We want California at the table, and we want one national standard that includes California, and we've been very clear on that."

Breaking up the national program would lead to a "regulatory nightmare," Alliance of Automobile Manufacturers President and CEO Mitch Bainwol told Congress in May. Experts aren't entirely sure what a market with two standards might even look like, but it could involve making two different designs of vehicles or pricing cars differently depending on whether a state follows California or federal rules, both options that add significant uncertainty and bureaucracy.

Meanwhile, critics like Dan Becker, director of the Safe Climate Campaign at the nonprofit Center for Auto Safety, said car manufacturers are getting more than they bargained for.

"What they didn't know is, when they asked Trump to help them start rolling these standards down the hill, that he would totally disconnect the brakes," Becker said.

At the core of the conflict is California's unique authority under the Clean Air Act to enforce its own stricter standards — and provisions allowing other states to choose them instead of the federal rules. The Trump administration's proposal would revoke that waiver, and require California to defer to federal regulators.

Twelve states, mostly those in the Northeast and Pacific Northwest, along with D.C. already follow California's more stringent standard, and Colorado will join them by the end of the year. Those states make up more than 40 percent of the U.S. new car market, and environmentalists are hoping to persuade more states to follow California if Trump torpedoes the federal rules.

Environmentalists, meanwhile, argue the rollbacks would erase a significant amount of the greenhouse gas savings achieved under the Obama plan, and make it harder for cities to address air pollution that causes illness and smog.

"This proposal is completely unacceptable," Ken Kimmell, president of the Union of Concerned Scientists, said in a statement. "It's an attack on the climate, consumers, state governments and the future viability of America's auto industry."

EPA and the California Air Resources Board have been in negotiations for months, and state regulators have said they would be willing to discuss the flexibility measures sought by automakers if EPA would commit to a new round of rulemaking increasing the standards through 2030. But the state would not back off its overall emissions targets, which are a key part of its effort to fight climate change and reduce pollution that chokes its cities with smog.

Thursday's proposal is likely to end any serious discussions over a potential regulatory deal, although EPA air chief Bill Wehrum said California had agreed to sit down for further negotiations.

The proposal, a joint product from EPA and the National Highway Traffic Safety Administration, would freeze the Transportation Department-set fuel economy standards for model year 2021-2026 cars at 2020 levels. That in turn would have EPA roll back the Obama administration's carbon dioxide standards, which initially were projected to bring the fleet average to 54.5 miles per gallon. Instead, cars and light trucks would top out at an average 37 miles per gallon under the proposal.

NHTSA also contends that California cannot enforce its own more stringent standards, a regulatory move that would prompt EPA to revoke the waiver it issued California in 2013 allowing it to enforce its own rules.

The agency estimated that once it's fully implemented, the proposal would increase fuel consumption by 500,000 barrels a day. That's as much as 3 percent of current consumption and could help drive further domestic oil production.

The Trump administration may face an uphill battle in the eventual court case.

Two federal courts in 2007 upheld California's right to a waiver, rejecting the idea that NHTSA's fuel economy standards preempt California's ability to regulate greenhouse gas emissions. But the state and federal government negotiated a compromise to keep their rules in sync before those rulings could be appealed, and proponents of the Trump rollback see the legal question as still unsettled.

California is confident about its legal footing to defend its waiver, which lets the state enforce its own standards through 2025 if the federal government weakens its own. The Clean Air Act does not address whether the EPA has the authority to revoke waivers once granted, although it does not expressly forbid it either.

Assuming a rule is finalized in early 2019, a legal case may not receive a ruling until 2020, a timeline that will keep automakers on their toes because of the long lead time required to design, test and manufacture new vehicles. If the Supreme Court eventually gets involved, the case could have an even bigger impact on automakers' production plans.

California still faces substantial air pollution problems, and simultaneously freezing federal standards while taking away California's ability to fight traffic pollution on its own only adds to the legal risk the final rule will face in court, legal experts say.

"There's a tension here between those two policy approaches," said Brendan Collins, an environmental attorney and partner at the law firm Ballard Spahr.

In addition, NHTSA argues that freezing the fuel economy standards would save 12,700 lives annually. The proposal argues that consumers are less likely to purchase newer, safer cars if efficiency rules increase the up-front costs; that people who do buy more efficient vehicles are likely to drive them more often; and that more fuel efficient cars are potentially less safe because they are typically smaller and lighter, making them less protective to passengers in a crash.

Advocates of more stringent standards note that traffic fatalities have not risen on par with the growth in vehicle miles traveled or population, indicating that cars are not necessarily becoming more dangerous as they become more fuel efficient.

In addition to fighting the Trump administration in court, California also is preparing regulatory actions to keep its more stringent rules in place.

The state's Air Resources Board sought public comment this spring about potential regulatory language clarifying that only those cars that meet the Obama-set standards will be "deemed to comply" with California's rules as well. A CARB spokesman told POLITICO the agency continues to work on a proposal.

*Eric Wolff contributed to this report.*

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## **Trump wildfire tweets spark bewilderment about California water [Back](#)**

By Annie Snider, Carla Marinucci and Jeremy B. White | 08/06/2018 03:10 PM EDT

OAKLAND, Calif. — Californians are stunned at President Donald's Trump's latest tweets on the state's catastrophic wildfires — and his insistence that the state is burning because leaders are letting too much fresh water flow into the Pacific Ocean.

Trump tweeted Monday that California "Governor Jerry Brown must allow the Free Flow of the vast amounts of water coming from the North and foolishly being diverted into the Pacific Ocean. Can be used for fires, farming and everything else. Think of California with plenty of Water - Nice! Fast Federal govt. approvals."

That tweet — on the heels of a Sunday tweet that referenced California's "bad environmental laws" as a cause of the state's current raging wildfires — drew an immediate reaction from veteran California GOP strategist Rob Stutzman, who responded via Twitter: "This is nuts" and also "low water IQ." Stutzman has advised former Gov. Arnold Schwarzenegger and a host of national and state GOP candidates.

Trump's comments may be referencing an unrelated dispute between Brown's administration and California Republicans over how much of the state's water can be diverted to Southern California farms and cities and how much must be allowed to flow naturally to benefit endangered and threatened fish species.

Wildfires around California have killed nine people, but firefighters have not raised concerns about the available water supplies.

"The notion that somehow more water would be mitigating or better in fighting these fires is just mind-boggling," Stutzman told POLITICO on Monday. "I don't watch 'Fox & Friends,' but it would seem that someone has put the idea in his head. It doesn't even show an elementary understanding of water policy."

Fox & Friends had aired a segment about the California fires nearly five hours before Trump's Monday tweet but didn't discuss water issues as part of the segment.

Stutzman called the president's recent tweets on California fires and water policy "frightening," saying that "water has nothing to do with why these places are tinder boxes. It's very exasperating. ... It's a statement from the president that shows no understanding of hydrology."

He said he would advise Brown, a Democrat, to "not take the bait" and react to such uninformed views.



Indeed, Evan Westrup, the spokesman for Brown, told POLITICO that "this does not merit a response." But he also added via email: "It's a sad state of affairs when journalism is reduced to chasing the uninformed, unsupervised tweets of the president."

Some Democrats seized on the latest tweet. Rhys Williams, spokesman for Democratic gubernatorial candidate Gavin Newsom, tweeted: "Has anybody seen the baby's pacifier? He dropped it again."

In a purely political sense, Trump's tweets reflected his alignment with California Republicans who have long complained that the state unfairly prioritizes environmental uses for water over the state's sprawling agricultural industry. Putting "fish over farms" is a popular formulation that has been invoked by Trump allies from California's agricultural heartland, such as Reps. Devin Nunes and Kevin McCarthy.

"Forests should be managed properly and water should be allowed for farmers to grow food to feed people," Nunes wrote on Twitter in response to Trump's Sunday tweet, cheering the president "for bringing much needed attention to our flawed environmental policies!"

Trump has courted the Republican-leaning Farm Bureau heavily. California's water wars are a huge issue for the group. Trump addressed the annual Farm Bureau convention in January, becoming the first president in more than two decades to do so. He also raised the issue during a campaign stop in Fresno in 2016.

But experts who make their living studying California's water system reacted for the second consecutive day with a communal groan of exasperation. Peter Gleick of the Pacific Institute, one of the state's foremost experts on how the state manages its water, issued a tweet calling Trump's latest missive "nuts" after labeling the president's initial tweet "gobbledygook bullsh--."

In an email to POLITICO, Gleick noted that the water that flows from California's rivers into the ocean is what remains after cities and farms take their gulp — and that those flows are critical to shoring up ecosystems that, in some parts of the state, are teetering on the brink of collapse.

"Trump's tweets last night and today show a profound misunderstanding about water, fires, California environmental policy, and of course, climate change," Gleick said, adding that the "idea that somehow state water policies are leading to a shortage of water for fighting the fires is too stupid to rebut."

Stutzman said that even more potentially damaging is that the president's Twitter pronouncement is "even somewhat offensive, given that he's trying to make a point on the backs of these fires."

He noted the president on Twitter to date has shown "no sympathy" and expressed no personal concern for the 18 active and raging blazes around the state, which have to date been responsible for the destruction of more than 1,000 homes and billions of dollars in damage.

Ironically, Stutzman said, Trump has stepped on what could have been his own positive message to California — that the White House "has been quick to approve funds and the emergency declarations have come without any complications."

The State Water Resources Control Board voted July 6 to make major changes to the state's water allocations, preserving more for ailing fish populations. That vote drew the ire of the state's agricultural groups, and state Republicans have turned to their allies in Congress, who have voted to block federal funding related to the allocation plan.

—*Rebecca Morin contributed to this report.*

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## **EPA threatens crackdown on Pennsylvania over Chesapeake Bay pollution** [Back](#)

By Annie Snider | 06/20/2018 05:01 PM EDT

EPA is threatening for the first time under the Trump administration to crack down on Pennsylvania if the state doesn't slash its water pollution soon — including by requiring animal feeding operations there to obtain pollution permits.

The threats came in an EPA [letter](#) to states laying out its expectations for implementing the federal-state effort to restore the Chesapeake Bay. Halfway through the 15-year cleanup effort, the states are significantly behind their plans, and the lag is largely because of pollution from Pennsylvania, where farms contribute enormous amounts of nitrogen and phosphorus to Bay tributaries.

In the letter, EPA lays out "backstop" actions it could take if Pennsylvania doesn't make swift progress. EPA could expand who must get water pollution permits to include animal feeding operations and city stormwater systems, the letter says, or it could ratchet down pollution limits at wastewater treatment plants — a move that could vastly increase costs to customers. The letter also floats the possibility of policing air emissions and water discharges in the state more closely.

Similar backstop actions have been laid out in the past, but this is the first time the Trump administration has threatened them. Several of the actions are likely to draw opposition from farmers, who are already angry with EPA Administrator Scott Pruitt for his handling of the Renewable Fuel Standard. Under the Obama administration, EPA took some actions aimed at prodding Pennsylvania into action, but stopped short of the most extreme measures.

**WHAT'S NEXT:** EPA is expected to soon release an assessment of progress on the cleanup effort at its midpoint, and could announce whether to take more aggressive action against Pennsylvania then.

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## **Wheeler opposes rider limiting EPA enforcement of Chesapeake Bay cleanup** [Back](#)

By Anthony Adragna | 08/01/2018 11:59 AM EDT

Acting EPA Administrator Andrew Wheeler voiced opposition to a policy rider limiting the agency's ability to penalize states that miss Chesapeake Bay pollution reduction targets.

"We would certainly like to keep all the enforcement authorities that we can," Wheeler said in response to a question from Sen. [Chris Van Hollen](#) (D-Md.).

The House included the rider from Rep. Bob Goodlatte (R-Va.) weakening Chesapeake Bay cleanup enforcement as part of the two-bill fiscal 2019 spending bundle it approved earlier this month. The Senate has not included a similar provision in its Interior and Environment title, H.R. 6147 (115), slated for approval today.

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## **Trump administration finally issues report on toxic chemicals [Back](#)**

By Annie Snider | 06/20/2018 01:21 PM EDT

The Trump administration finally released a delayed report on toxic water contamination on Wednesday, months after White House officials expressed fears it would spark a "public relations nightmare" if released.

As expected, the report by the Department of Health and Human Services shows that toxic nonstick chemicals that have leaked into communities' drinking water supplies endanger human health at levels the EPA had previously deemed safe.

POLITICO first reported last month on the delay in publishing the report, which followed an intervention by White House and EPA officials, including EPA Chief of Staff Ryan Jackson.

The 852-page scientific draft assessment of so-called PFAS chemicals, posted Wednesday by the Agency for Toxic Substances and Disease Registry, details how people are exposed to the chemicals and the health risks the chemicals pose to populations ranging from infants and breastfeeding mothers to adult males. It finds that the chemicals can pose risks to the most vulnerable populations at levels lower than those EPA had deemed safe in its 2016 health advisory for two of the chemicals, known as PFOA and PFOS.

The chemicals at issue in the HHS study have long been used in products such as Teflon and firefighting foam, and are contaminating water systems around the country. They have been linked to thyroid defects, pregnancy problems and certain cancers, even at low levels of exposure.

The problem has already proved to be enormously costly for chemicals manufacturers. The 3M Co., which used them to make Scotchgard, paid more than \$1.5 billion to settle lawsuits related to water contamination and personal injury claims.

EPA will hold its first community meeting on PFAS in New Hampshire next week.

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## **Judge upholds most of Obama-era Interior royalty penalty rule [Back](#)**

By Alex Guillén | 08/06/2018 03:55 PM EDT

A federal judge today upheld most of an Obama-era rule that hiked royalty-related civil penalties for energy development on public lands, siding with the oil industry challenger on just one narrow provision.

The Office of Natural Resources Revenue rule, which was issued in August 2016 as an update to a 1999 rule, strengthened penalties for certain violations and boosted fines to account for inflation.

The American Petroleum Institute brought a variety of challenges to the rule, arguing that the penalties were more severe than what Congress intended.

But Judge Nancy Freudenthal of the U.S. District Court for Wyoming, an Obama appointee, rejected most of API's arguments, ruling the agency had acted appropriately in strengthening the rule.

However, she sided with the oil lobbying group on one point, and vacated a part of the rule that allowed administrative law judges to retroactively reinstate penalties and accrued interest that had been put on hold if the company's argument for a stay was deemed "frivolous."

Freudenthal ruled that particular provision is "an abuse of discretion and not in accordance with law." ONRR is free to object to a company's stay request from the beginning if it believes it to be frivolous, but cannot have a "second bite" after the fact, she wrote.

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### **Florida Republican seeks disaster declaration over toxic algae [Back](#)**

By Anthony Adragna | 08/06/2018 03:37 PM EDT

Florida Republican Rep. [Francis Rooney](#) today asked President Donald Trump to issue a major disaster declaration for the state over harmful algae blooms that have devastated marine life and the state's tourist economy.

"We desperately need emergency disaster resources now," Rooney wrote in [a letter](#). "Your declaration will help us overcome the economic damage which a combination of harmful discharges from [Lake Okeechobee] and an incursion of red tide have wrought."

Rooney also personally invited Trump to visit the state to view the damage firsthand.

Harmful algal blooms have led to widespread animal deaths along Florida's beaches this summer and harmed the state's economy. The issue has even popped up in the state's high-profile Senate and gubernatorial races.

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